

DEPARTMENT OF HEALTH SERVICES

P.O. BOX 942732

SACRAMENTO, CA 94234-7320

(916) 327-1400



October 17, 2001

N.L.: 18-0901

Index: Medical Therapy Program

TO: ALL COUNTY CALIFORNIA CHILDREN'S SERVICES (CCS)
ADMINISTRATORS AND MEDICAL CONSULTANTS,
CHIEF/SUPERVISING THERAPISTS, AND STATE CHILDREN'S
MEDICAL SERVICES (CMS) STAFF

SUBJECT: REIMBURSEMENT OF LOCAL EDUCATION AGENCIES (LEA) OR
SPECIAL EDUCATION LOCAL PLANNING AREAS (SELPA) FOR
PROVISION OF MEDICALLY NECESSARY THERAPY SERVICES TO
CHILDREN MEDICALLY ELIGIBLE FOR CCS/MEDICAL THERAPY
PROGRAM (MTP)

I. BACKGROUND

The purpose of this numbered letter is to provide local CCS programs with guidance on the reimbursement of CCS prescribed and approved physical therapy (PT) and occupational therapy (OT) services that are provided/purchased by the LEAs or SELPAs. The services are part of the MTP Approved Therapy Plan (ATP) and are identified in a child's Individualized Education Plan (IEP). The services are the responsibility of the county CCS MTP program but the MTP is unable to provide them for a variety of reasons, including, but not limited to:

- Inability to recruit and hire the allocated number of CCS State approved therapy staff due to a shortage of available pediatric therapists in the community;
- Difficulty locating pediatric trained PT's and OT's in the community willing to provide therapy services to MTP-eligible children in their office/outpatient site for the hourly reimbursement level paid by the CCS program.

The Individuals with Disabilities Education Act (IDEA) requires LEAs or SELPAs to provide or purchase any related services placed in a child's IEP when the state agency required to provide these related services is unable to do so. Therefore, when the MTP cannot provide the therapy services in an approved therapy plan identified in the child's IEP, the LEA or SELPA must purchase or arrange for the provision of these services.

In the past, most LEAs or SELPAs have provided the medically necessary PT and OT services identified in the IEP without requesting reimbursement from the designated agency (e.g., the MTP). Federal law permits LEAs or SELPAs to seek reimbursement for any related service identified in the child's IEP that they provide or purchase on behalf of another state agency. The other agency is required, by law, to reimburse the LEA or SELPA. The IDEA (20 USC, Section 1412 (a)(12)(B)(ii)) states:

"If a public agency other than an educational agency fails to provide or pay for the special education and related services described in clause (i), the local education agency (or State agency responsible for developing the child's IEP) shall provide or pay for such services to the child. Such local education agency or State agency may then claim reimbursement for the services from the public agency that failed to provide or pay for such services and such public agency shall reimburse the local agency or State agency pursuant to the terms of the interagency agreement or other mechanism described in subparagraph (A)(i) according to the procedures established in such agreement pursuant to subparagraph (A)(ii)."

II. POLICY

- A. All PT and OT services provided by the LEA/SELPA shall be prior approved by the CCS program administrator.
- B. The county MTP shall establish an agreement with the LEA or SELPA to define the process for compensation of those agencies for PT/OT services provided on behalf of the CCS MTP.

The agreement with the LEA or SELPA shall include, but is not limited to:

- 1 Procedures for timely notification of both agencies when the LEA or SELPA provides or purchases the required PT and/or OT services.
- 2. Requirement that the MTP notify the LEA or SELPA 30 days prior to when MTP is able to resume/begin therapy services for an individual child.
- 3. Assurance the LEA/SELPA therapy provider will follow the MTP prescribed ATP.
- 4. Requirements that the LEA or SELPA:

- a. Use employees or contractors who are licensed/certified PT or OT professionals performing within their defined scope of practice.
 - b. Maintain copies of current license/certification of all employees/contractors providing PT and OT services.
 - c. Ensure that PT and OT treatment services are 1) provided in adequate space that allows for privacy for the child and 2) use the equipment necessary for the provision of medically necessary PT and OT services as prescribed in the ATP (services may include therapy treatment services, instruction and monitoring of home programs, and classroom therapy activities).
 - d. Notify the MTP of the date and time of any IEP meeting for a child receiving services from the LEA/SELPA on behalf of CCS so the MTP staff may represent the MTP at the meeting. The LEA or SELPA therapy provider shall not represent CCS at any IEP meeting.
5. Establishment of the reimbursement rate the county MTP will pay the LEA or SELPA for the provision of the required PT and/or OT services.
6. Method to be used by the LEA or SELPA to document the quarterly provision of PT and/or OT services. Documentation requirements include, but are not, limited to:
 - a. number of individual sessions;
 - b. response to treatment and functional levels;
 - c. benefits of therapy;
 - d. time allotted for delivery of services;
 - e. completion of reports regarding provision of services and achievement of functional goals; and
 - f. recommendations for ongoing treatment or requests for required additional medically necessary equipment, as appropriate.

7. Establish procedure for LEA or SELPA to bill the MTP for the provision of services using the reimbursement method agreed to by the MTP.
 8. Identify the reimbursement method for these services by the MTP through the county health department.
- C. PT and OT services provided by LEAs/SELPAs cannot be billed as Medi-Cal services. If LEAs/SELPAs provide the medically necessary MTP services on behalf of county CCS programs, county CCS programs cannot bill the Medi-Cal program through the Medical Therapy Unit (MTU)/Outpatient Rehabilitation Certification (OPRC) claiming process for PT and/or OT services rendered to full scope, no share of cost Medi-Cal eligible beneficiaries.

III. IMPLEMENTATION GUIDELINES

- A. For every child receiving CCS approved services from an LEA/SELPA, the MTP must document the following information in the child's MTP record:
1. The child is medically eligible and is enrolled in the MTP
 2. An MTU therapist or CCS paneled therapist has completed the initial evaluation and developed a therapy plan.
 3. The child has a current CCS ATP with functional goals, objectives, frequency, and duration of therapy services.
 4. The CCS ATP has been included in the child's IEP
 5. The MTP has made significant effort to provide the services at an MTU or through the purchase of the services through a vendored community PT or OT provider.
 6. The MTP has notified the LEA/SELPA that the MTP is unable to provide the services in the ATP.
- B. The county MTP chief/supervising therapist (or designee in independent counties) or state therapy consultant (or designee in state regional office or dependent counties) shall ensure appropriate oversight of LEA or SELPA therapy services. Oversight shall include the review of:

1. Therapy provider evaluations, progress notes, proposed therapy plans, and recommendations for therapy services for individual MTP enrolled children.
 2. Review and approval of the invoices for reimbursement to the LEA or SELPA by the CCS program.
- C. The county CCS programs shall process and pay the invoices from the LEA or SELPA for the PT and OT services delivered by the LEA/SELPA pre-approved by the county CCS administrator.
- D. Reimbursement to county CCS programs for the State portion of the therapy services cost provided by the LEA or SELPA shall occur on a quarterly basis. County CCS programs shall:
1. Place the charges for the LEA or SELPA reimbursement on the "County CCS Program Quarterly Report of Expenditures for the Medical Therapy Program" Section IV, 4. (See Enclosure)
 2. Attach a copy of the invoice received from the LEA or SELPA with notation of the date and amount paid by the county CCS program. Detailed documentation of costs per child shall be maintained at the county for a period of three years or, if undergoing an audit, until the audit has been completed.
 3. Note the amount (50 percent) due to county from the state for the state portion of these charges on the "County CCS Program Quarterly Report of Expenditures for the Medical Therapy Program."

If you have any questions regarding this information, please contact your CMS Regional Office Therapy Consultant.

A handwritten signature in black ink, reading "Maridee Gregory" with a stylized flourish at the end.

Maridee A. Gregory, M.D., Chief
Children's Medical Services Branch

Enclosures

Enclosure

OPEN CASELOAD _____

**COUNTY CCS PROGRAM
QUARTERLY REPORT OF EXPENDITURES
MEDICAL THERAPY PROGRAM
FISCAL YEAR _____**

Expenditures from _____ to _____
per Health and Safety Code
Sections 123800-123995

County: _____
Part II. Summary Report of Therapy Expenditures

SECTION I. COUNTY EMPLOYED MTU STAFF (excluding staff designated as MTP liaison and for IEP attendance)

1. NAME	2. CLASSIFICATION	3. MONTHLY SALARY	4. FTE PERCENT	5. EXPENDITURES PAID FOR QUARTER

6. Total Personal Services

7. Staff Benefits @ _____%

8. Other (attach documentation)

9. Travel Expenses

10. TOTAL COUNTY STAFF EXPENDITURES

b. State Share Due County (50%) \$ _

SECTION II. CONTRACT THERAPISTS

1. NAME	2. Job Title	3. HOURLY RATE	4. NUMBER OF HOURS	5. EXPENDITURES PAID FOR QUARTER

6. TOTAL CONTRACT STAFF SERVICES

a. _____

b. State Share Due County (50%)

\$ _____

OPEN CASELOAD _____

COUNTY CCS PROGRAM
QUARTERLY REPORT OF EXPENDITURES
MEDICAL THERAPY PROGRAM
FISCAL YEAR _____

Expenditures from _____ to _____
 per Health and Safety Code
 Sections 123800-123905

County: _____
 Part II. Summary Report of Therapy Expenditures

SECTION III. MTP COORDINATION with SELPA/LEA -LIAISON ACTIVITIES and IEP ATTENDANCE BY MTP STAFF

1. NAME	2. CLASSIFICATION	3. MONTHLY SALARY	4. FTE PERCENT	5. EXPENDITURES PAID FOR QUARTER

6. Total Personal Services
 7. Staff Benefits @ _____ %
 8. Other (attach documentation)
 9. Travel Expenses

10. TOTAL COUNTY STAFF EXPENDITURES

b. State Share Due County (100%) \$ _____

SECTION IV. OTHER EXPENDITURES

1. MTU Supply Expenditures
 2. MTU Equipment Expenditures
 3. MTU Conference Expenditures
 4 Total Other Expenditures

\$ _____
 \$ _____
 \$ _____
 a. \$ _____

b. State Share Due County (50%) \$ _____

SECTION V. SUBTOTAL -Add SECTIONS I, II, and IV

a. \$ _____

b. TOTAL State Share Due County (50%) \$ _____

*(IF APPLICABLE)***SECTION VI. MEDICAL THERAPY PROGRAM (from MR-0-940 REPORT)**

a. \$ _____

b. County Share Due State (50%) \$ _____

SECTION VII. TOTAL STATE SHARE AT 50% DUE COUNTY

State Share Due County \$ _____

*If Section V is greater than section VI, subtract Section VI from I.***SECTION VIII. TOTAL COUNTY SHARE DUE STATE**

County Share Due State \$ _____

*If section VI is greater than section V, subtract Section V from I.***SECTION IX. TOTAL STATE SHARE AT 100% DUE COUNTY from SECTION III**

State Share Due County (100%) \$ _____